STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:	)	Docket No. 04-IEP-01F
The Preparation of the 2005 Integrated	)	Re: Transmission-Renewables
Energy Policy Report (IEPR)	)	Operational Integration Issues

COMMENTS OF AMERICAN WIND ENERGY ASSOCIATION ON OPERATIONAL INTEGRATION ISSUES ASSOCIATED WITH TRANSMISSION AND RENEWABLE GENERATION

The American Wind Energy Association[1] (AWEA) appreciates this opportunity to provide these written comments in response to the February 3, 2005, Integrated Energy Policy Report (IEPR) Committee Workshop on Transmission-Renewables Operational Integration Issues and related materials. In particular, AWEA comments on the materials circulated at the workshop, and the associated overall project ("Project"), which is scheduled to culminate in a June 2005 report and recommendations, in time to be integrated into IEPR process.

Summary of Comments

AWEA applauds the Commission efforts to define and refine the operational issues associated with wind integration. In no way, however, does AWEA believe that the current record in this proceeding supports any conclusions about whether policy, procedural or regulatory changes are warranted. Indeed, AWEA recommends that the "next steps" identified in the Project - specifically, the development and risks of various policy changes - be suspended immediately. Rather, AWEA recommends that the Commission embark upon a comprehensive and detailed study of the impacts of high-penetration renewables development, as was done by NYSERDA[2]. Policy alternatives should only be considered in the light of credible, detailed analysis.

Comments

AWEA supports the Commission's clear focus on investigating the impacts of renewable generation on the interconnected electrical grid. We have reviewed the presentations offered in the February 3 workshop and find that for the most part, they represent a reasonable balance of appropriate intellectual curiosity in identifying potential issues with high-penetration renewables scenarios.

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[1] AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, researchers, renewable energy supporters, utilities, marketers, customers and their advocates.

[2] See "The Effects of Integrating Wind Power on Transmission System Planning, Reliability, and Operations," February 3, 2005 (draft report). Available at: http://www.nyserda.org/rps/default.asp.

However, while AWEA supports the identification of issues, it has significant concerns with what it believes to be inappropriate conclusions that policy makers could draw from inapplicable, preliminary, and tenuous linkages and assertions presented at the workshop, particularly those presented by CERTS and the Electric Power Group (CERTS/EPG). Many of those linkages and assertions have been adequately highlighted in the comments of CalWEA and need no further discussion here.

However, the one area of the CalWEA comments that deserves further emphasis is the surprisingly narrow list of interviews performed by CERTS/EPG prior to the development of the February workshop materials. While the proponents claim to have reviewed dozens of reports and articles, they appeared to interview few of the authors of those reports. In addition, AWEA finds it surprising that our members, in spite of being the largest operators of renewables technologies within the State, were not, with one exception, contacted in the development of the workshop materials.

AWEA recommends that the Commission suspend the current efforts - in particular the next steps proposed in the Project. These next steps, as reported in the background materials, and beginning with step 6 would be to:

6. Evaluate alternatives to address reliability and operational integration issues, including resource management, operating procedures, and regulatory policies. Assess pros and cons for alternative policy options.
7. Review options in the areas of policy, procedure, and standards at a second stakeholder workshop. (April 2005)
8. Prepare a final report and recommendations. (June 2005)

Indeed, policymakers should only consider operational or regulatory intervention (as in step 6) in the face of a credible, California-specific, high-penetration renewables study that indicates such intervention is necessary. To do otherwise is likely to introduce significant development risk, delay the construction of new facilities, reduce the consumer welfare associated with renewable generation, threaten RPS goal attainment and create a host of other unintended consequences.

In order to develop a record that will allow reasoned decision-making, AWEA recommends that the Commission immediately dedicate its considerable resources to the development of a comprehensive and detailed study of the impacts of integrating renewables at high penetration rates.

This simulation would model all relevant components of the interconnected grid, and would attempt to isolate the specific impacts that renewables penetration would have on the grid. Moreover, such a study would also clearly identify challenges to the interconnected grid that occur independent of the level of renewable development.

AWEA understands that the Commission has already begun plans for such a study, and initial scoping meetings are taking place. AWEA suggests that the Commission learn from the scope of work and analysis completed by NYSERDA. Their work focused on two phases and was intended to identify the operational and economic consequences of integrating more than 3000 MW of wind on the NYISO system.

In order to allow for a comprehensive design and adequate stakeholder input and review, AWEA suggests that the Commission authorize the following steps.

First, hold public workshops to develop a Plan of Study that defines and refines the issues - such as those identified on February 3 -- that can be addressed in a technical simulation. If issues cannot be exposed by modeling (e.g. the cost of energy storage) authorize separate research efforts.

Second, hold workshops to establish standards for consultant capability and competence.

Third, use a competitive process to award the contract and engage the required work.

AWEA recognizes that a study of this nature - being comprehensive, technical and detailed -- will take months, and not weeks, to prepare, review and finalize. Indeed, the NYSERDA work was performed over the course of a year or more. Fortunately, according to the results of the CEC's own PIER funded integration study, California has the luxury of time since the report shows that the operational impacts of renewables at current penetration are negligible.

While the timeline for a year-long study may not fit conveniently within the development plan of the Commission's Integrated Energy Policy Report ("IEPR"), AWEA believes that the results of such a study are a necessary precursor to policy action.

AWEA appreciates this opportunity to comment, and would be pleased to meet with the Commission and Project staff to discuss these issues further.

Respectfully submitted,

_____/s/_____

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